

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2013 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information												
1a Name of plan THE CHARLES MACHINE WORKS INC. 401K PLAN	<table border="1"> <tr> <td>1b Three-digit plan number (PN) ►</td> <td>002</td> </tr> <tr> <td>1c Effective date of plan</td> <td>01/01/2003</td> </tr> <tr> <td>2b Employer Identification Number (EIN)</td> <td>73-0660844</td> </tr> <tr> <td>2c Sponsor's telephone number</td> <td>580-336-4402</td> </tr> <tr> <td>2d Business code (see instructions)</td> <td>333100</td> </tr> <tr> <td colspan="2"></td> </tr> </table>	1b Three-digit plan number (PN) ►	002	1c Effective date of plan	01/01/2003	2b Employer Identification Number (EIN)	73-0660844	2c Sponsor's telephone number	580-336-4402	2d Business code (see instructions)	333100		
1b Three-digit plan number (PN) ►	002												
1c Effective date of plan	01/01/2003												
2b Employer Identification Number (EIN)	73-0660844												
2c Sponsor's telephone number	580-336-4402												
2d Business code (see instructions)	333100												
2a Plan sponsor's name and address; include room or suite number (employer, if for a single-employer plan) THE CHARLES MACHINE WORKS INC. 1959 WEST FIR AVENUE PERRY, OK 73077-0066													

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2014	D.L. WILLIAMS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2014	D.L. WILLIAMS
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE
Preparer's name (including firm name, if applicable) and address; include room or suite number. (optional) MCCREADY & KEENE, INC. MCCREADY & KEENE, INC. 7941 CASTLEWAY DR. INDIANAPOLIS, IN 46250			Preparer's telephone number (optional) 800-261-9618

3a Plan administrator's name and address ☒ Same as Plan Sponsor Name ☐ Same as Plan Sponsor Address		3b Administrator's EIN	
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name		3c Administrator's telephone number 4b EIN 4c PN	
5 Total number of participants at the beginning of the plan year		5	1572
6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).			
a Active participants		6a	1227
b Retired or separated participants receiving benefits		6b	0
c Other retired or separated participants entitled to future benefits		6c	290
d Subtotal. Add lines 6a , 6b , and 6c		6d	1517
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits		6e	0
f Total. Add lines 6d and 6e		6f	1517
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)		6g	1501
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested		6h	16
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7	
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2T 3D 3F 3H			
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:			
9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)			
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☒ <u>1</u> A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☐ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)	

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2013 This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013		
A Name of plan THE CHARLES MACHINE WORKS INC. 401K PLAN	B Three-digit plan number (PN) ▶	002
C Plan sponsor's name as shown on line 2a of Form 5500 THE CHARLES MACHINE WORKS INC.	D Employer Identification Number (EIN) 73-0660844	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier
AMERICAN UNITED LIFE INSURANCE COMPANY

(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
35-0145825	60895	K00076	1501	04/01/2013	12/31/2013

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid
0	0

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end **4** 602948**5** Current value of plan's interest under this contract in separate accounts at year end **5****6** Contracts With Allocated Funds:**a** State the basis of premium rates ▶**b** Premiums paid to carrier **6b****c** Premiums due but unpaid at the end of the year **6c****d** If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. **6d**

Specify nature of costs ▶

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity(3) ☐ other (specify) ▶**f** If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ☐**7** Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)**a** Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☒ other ▶ **GROUP ANNUITY CONTRACT****b** Balance at the end of the previous year **7b** 0**c** Additions: (1) Contributions deposited during the year **7c(1)** 18269(2) Dividends and credits **7c(2)**(3) Interest credited during the year **7c(3)** 9235(4) Transferred from separate account **7c(4)**(5) Other (specify below) **7c(5)** 622429▶ **TRANSFER FROM OUTSIDE SOURCE LOAN REPAYMENTS**(6) Total additions **7c(6)** 649933**d** Total of balance and additions (add lines **7b** and **7c(6)**) **7d** 649933**e** Deductions:(1) Disbursed from fund to pay benefits or purchase annuities during year **7e(1)** 40553(2) Administration charge made by carrier **7e(2)** 1667(3) Transferred to separate account **7e(3)**(4) Other (specify below) **7e(4)** 4765▶ **LOANS ISSUED**(5) Total deductions **7e(5)** 46985**f** Balance at the end of the current year (subtract line **7e(5)** from line **7d**) **7f** 602948

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
b ☐ Dental
c ☐ Vision
d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
f ☐ Long-term disability
g ☐ Supplemental unemployment
h ☐ Prescription drug
i ☐ Stop loss (large deductible)
j ☐ HMO contract
k ☐ PPO contract
l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received.....	9a(1)		
(2) Increase (decrease) in amount due but unpaid.....	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3)).....		9a(4)	
b Benefit charges (1) Claims paid.....	9b(1)		
(2) Increase (decrease) in claim reserves.....	9b(2)		
(3) Incurred claims (add (1) and (2)).....		9b(3)	
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees.....	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses.....	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies.....	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention		9c(1)(H)	
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.).....		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves.....		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).).....		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount.....	10b	

Specify nature of costs ▶

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2013
		This Form is Open to Public Inspection.

For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan <u>THE CHARLES MACHINE WORKS INC. 401K PLAN</u>	B Three-digit plan number (PN) <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>THE CHARLES MACHINE WORKS INC.</u>	D Employer Identification Number (EIN) <u>73-0660844</u>

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
RBK CAPITAL LLC

27-2388726

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

M & T BANK

16-0538020

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

RBK CAPITAL LLC

27-2388726

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
27 50	NONE	56151	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

MCCREADY AND KEENE INC.

35-0500670

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 37 38 50	NONE	53241	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

WILMINGTON TRUST RETIREMENT

51-0099033

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
18 19 21 25 49 50 51 59 60 61 62 63 65	NONE	14264	Yes ☒ No ☐	Yes ☒ No ☐	789	Yes ☒ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2013 This Form is Open to Public Inspection
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For calendar plan year 2013 or fiscal plan year beginning <u>01/01/2013</u> and ending <u>12/31/2013</u>		
A Name of plan <u>THE CHARLES MACHINE WORKS INC. 401K PLAN</u>	B Three-digit plan number (PN) ►	<u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>THE CHARLES MACHINE WORKS INC.</u>	D Employer Identification Number (EIN) <u>73-0660844</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
1	Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
	Assets			
a	Total noninterest-bearing cash	1a		
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions.....	1b(1)	2054544	2493791
	(2) Participant contributions.....	1b(2)		
	(3) Other.....	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	0	5386
	(2) U.S. Government securities	1c(2)		
	(3) Corporate debt instruments (other than employer securities):			
	(A) Preferred	1c(3)(A)		
	(B) All other.....	1c(3)(B)		
	(4) Corporate stocks (other than employer securities):			
	(A) Preferred	1c(4)(A)		
	(B) Common.....	1c(4)(B)		
	(5) Partnership/joint venture interests	1c(5)		
	(6) Real estate (other than employer real property).....	1c(6)		
	(7) Loans (other than to participants)	1c(7)		
	(8) Participant loans.....	1c(8)	1372128	1797189
	(9) Value of interest in common/collective trusts	1c(9)		
	(10) Value of interest in pooled separate accounts	1c(10)		
	(11) Value of interest in master trust investment accounts	1c(11)		
	(12) Value of interest in 103-12 investment entities.....	1c(12)		
	(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	32952046	48329170
	(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	0	602948
	(15) Other.....	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	36378718	53228484

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	36378718	53228484
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	2493791	
(B) Participants	2a(1)(B)	3480577	
(C) Others (including rollovers)	2a(1)(C)	247283	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		6221651

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	9235	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	69841	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		79076

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	1586979	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		1586979

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts.....	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts.....	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts.....	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		6230873
c Other income.....	2c		18952
d Total income. Add all income amounts in column (b) and enter total.....	2d		14137531

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers.....	2e(1)	2818365	
(2) To insurance carriers for the provision of benefits.....	2e(2)		
(3) Other.....	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		2818365
f Corrective distributions (see instructions).....	2f		7522
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees.....	2i(1)	14501	
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees.....	2i(3)	109392	
(4) Other.....	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		123893
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		2949780

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		11187751
l Transfers of assets:			
(1) To this plan.....	2l(1)		5662015
(2) From this plan.....	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)?

☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: GRANT THORNTON LLP

(2) EIN: 36-6055558

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....

b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....

	Yes	No	Amount
4a		X	
4b		X	

	Yes	No	Amount
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		X	
e Was this plan covered by a fidelity bond?	X		1500000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	X		
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	X		

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
 If "Yes," enter the amount of any plan assets that reverted to the employer this year. ☐ Yes ☒ No Amount:

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☐ Yes ☐ No ☐ Not determined

Part V Trust Information (optional)

6a Name of trust	6b Trust's EIN

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2013 This Form is Open to Public Inspection.
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For calendar plan year 2013 or fiscal plan year beginning 01/01/2013 and ending 12/31/2013

A Name of plan <u>THE CHARLES MACHINE WORKS INC. 401K PLAN</u>	B Three-digit plan number (PN) ▶ <u>002</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>THE CHARLES MACHINE WORKS INC.</u>	D Employer Identification Number (EIN) <u>73-0660844</u>

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>51-0099033</u> <u>45-0404698</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
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4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....	6a		
b Enter the amount contributed by the employer to the plan for this plan year.....	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount)	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?.....	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.).....	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____



Financial Statements, Supplemental Schedule and Report
of Independent Certified Public Accountants

**THE CHARLES MACHINE WORKS, INC. 401(k)
PLAN**

December 31, 2013 and 2012

Contents

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Trustees
The Charles Machine Works, Inc. 401(k) Plan

We were engaged to audit the accompanying financial statements of The Charles Machine Works, Inc. 401(k) Plan (the “Plan”), which comprise the statements of net assets available for benefits as of December 31, 2013 and 2012, and the related statement of changes in net assets available for benefits for the year ended December 31, 2013, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for disclaimer of opinion

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the certified information described in Note D, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan administrator that the certifying entity meets the requirements of 29 CFR 2520.103-8. The Plan administrator obtained a certification from this entity as of December 31, 2013 and 2012, and for the year ended December 31, 2013, stating that the certified information provided to the Plan administrator is complete and accurate.

Disclaimer of opinion

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Supplementary information

The supplemental schedule of Schedule H, Line 4i – Schedule of assets (held at end of year) as of December 31, 2013 is presented for purposes of additional analysis and is not a required part of the financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph, we do not express an opinion on the supplemental schedule.

Report on form and content in compliance with DOL rules and regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the certified information described in Note D, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.



Tulsa, Oklahoma
October 15, 2014

The Charles Machine Works, Inc. 401(k) Plan

Statements of net assets available for benefits

December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
ASSETS:		
Investments, at fair value		
Money market fund	\$ 5,386	\$ 948,849
Mutual funds	48,329,171	32,003,197
Collective funds	<u>602,948</u>	<u>-</u>
Total investments	<u>48,937,505</u>	<u>32,952,046</u>
Receivables		
Notes receivable from participants	1,797,188	1,372,128
Employer contribution receivable	<u>2,493,791</u>	<u>2,054,544</u>
Total receivables	<u>4,290,979</u>	<u>3,426,672</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 53,228,484</u>	<u>\$ 36,378,718</u>

The accompanying notes are an integral part of these financial statements.

The Charles Machine Works, Inc. 401(k) Plan

Statement of changes in net assets available for benefits

For the year ended December 31, 2013

ADDITIONS:

Additions to net assets attributed to:

Contributions:

Employer	\$ 2,493,791
Employee	3,480,577
Rollovers	247,283
Transfer in of assets	5,662,015
Total contributions	<u>11,883,666</u>

Investment income:

Interest and dividends	1,586,979
Net appreciation in fair value of investments	6,230,873
Total investment income	<u>7,817,852</u>

Interest income on notes receivable from participants	79,076
Other income	<u>18,952</u>

Total additions	19,799,546
-----------------	------------

DEDUCTIONS:

Distributions to participants	2,825,887
Administrative expenses	<u>123,893</u>
Total deductions	<u>2,949,780</u>

INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	16,849,766
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NET ASSETS AVAILABLE FOR BENEFITS, beginning of year	<u>36,378,718</u>
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NET ASSETS AVAILABLE FOR BENEFITS, end of year	<u><u>\$ 53,228,484</u></u>
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The accompanying notes are an integral part of this financial statement.

The Charles Machine Works, Inc. 401(k) Plan

Notes to financial statements

December 31, 2013 and 2012

A - DESCRIPTION OF THE PLAN

The Charles Machine Works, Inc. (the “Company”) sponsors The Charles Machine Works, Inc. 401(k) Plan (the “Plan”) for the benefit of its employees, along with the employees of American Augers, Inc. (“AA”) and MTI Equipment (“MTI”), which are subsidiaries of the Company. The following description of the Plan provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan’s provisions.

1. General

The Plan is a defined contribution plan covering employees of the Company, AA and MTI who have completed one-quarter year of service and who have attained age 18. Nonresident aliens who receive no earned income from the Company within the United States of America, leased employees, and employees of any affiliates or subsidiaries of the Company are not eligible to participate in the Plan. Employees may begin participating in the Plan on the first day of the month after the employee meets the eligibility requirements. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”), as amended.

The Plan had multiple amendments made to the Plan agreement during 2013, which were effective January 1, 2013. These amendments allow Plan participants to rollover part or all of a non-Roth account to a Roth account in the Plan and allowed employees from AA and MTI to join the Plan.

During the current year, the Plan changed asset custodian and recordkeeper from Ascensus Inc. to McCready and Keene, Inc. (“Asset Custodian”). The Plan also changed trustees from Commerce Trust Company to Wilmington Trust Company (“Wilmington”).

2. Contributions

Employees can make elective and voluntary pre-tax contributions, with a maximum contribution percentage of 60% of eligible compensation, as defined in the Plan agreement, not to exceed the maximum amount allowable under the Internal Revenue Code (“IRC”). Employees are also allowed to make rollover contributions to the Plan. Under the provisions of the Plan agreement, the Company may make profit sharing and qualified matching contributions to the Plan at the Company’s discretion. Discretionary profit sharing contributions are allocated to participants based on the ratio that each participant’s compensation bears to the total compensation of all participants during the Plan year. The Company made a discretionary contribution of 3% of eligible participant wages totaling \$2,493,791 during 2013. The Plan had rollover contributions of \$247,283 during the year from non-Roth accounts to an In-Plan Roth account. The Plan also had a transfer in of assets of \$5,662,015 from AA and MTI employees.

3. Participant Accounts

Each participant’s account is credited with the participant’s contributions, an allocation of Company contributions, and an allocation of the Plan’s earnings and losses. Plan earnings and losses are allocated to the participants’ accounts based on the ratio of each participant’s account in each investment fund to the total of all participants’ accounts in each investment fund. Contributions are invested under the direction of the participant. The Plan allows participants to alter their elections between funds on a daily basis.

The Charles Machine Works, Inc. 401(k) Plan

Notes to financial statements - continued

December 31, 2013 and 2012

4. Vesting

Participants are immediately vested in their own contributions and any Company contributions plus or minus any earnings or losses thereon.

5. Notes Receivable from Participants

Participants may borrow from their vested fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. The loans are secured by the balance in their participant's account. A participant may have only one loan outstanding at any time. Loans bear interest at Wall Street Journal Prime plus 1%. Loans must be repaid within a maximum of five years. At December 31, 2013 and 2012, all loans bore interest of 4.25%. Principal and interest are paid ratably through payroll deductions, which are made at least monthly.

6. Payment of Benefits

Participants are eligible to receive the balance of their accounts upon death, retirement, termination of employment, or total and permanent disability. Upon termination of service, if the participant's account balance exceeds \$1,000, a participant may elect a lump-sum distribution, partial payments or installment payments over a specified period of time, not exceeding life expectancy. Only lump-sum distributions are available for vested account balances less than \$1,000. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. In-service withdrawals from a participant's account are allowed once a participant reaches age 59½.

7. Hardship Withdrawals

The Plan provides for participant withdrawals in the event of financial hardship. Hardship withdrawals are approved upon meeting the Internal Revenue Service's ("IRS") requirements for a hardship withdrawal.

8. Administrative Expenses

Certain administrative expenses of the Plan are paid by the Company. The Company does not seek reimbursement from the Plan for the payment of these administrative expenses. The Company paid \$14,501 in 2013 of expenses on behalf of the Plan.

B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The accompanying financial statements are prepared under the accrual basis of accounting.

2. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan's management to use estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

The Charles Machine Works, Inc. 401(k) Plan

Notes to financial statements - continued

December 31, 2013 and 2012

3. Investment Valuation and Income Recognition

Investments are stated at fair value based on quoted market prices. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded as earned. Dividends are recorded on the ex-dividend date.

The Plan provides for investments in various investment securities, which in general, are exposed to various risks, such as interest rate, market volatility, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

4. Payment of Benefits

Benefits are recorded when paid.

5. Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent loans are reclassified as distributions based upon the terms of the Plan document.

C - INVESTMENTS

The following table represents the fair value of those individual investments that represent 5% or more of the Plan's net assets available for plan benefits as of December 31:

	2013	2012
JPMorgan Smart Retire 2020	\$ 4,831,935	\$ *
JPMorgan Smart Retire 2025	5,773,070	*
JPMorgan Smart Retire 2030	5,102,842	*
JPMorgan Smart Retire 2035	4,810,301	*
JPMorgan Smart Retire 2040	3,167,458	*
American Funds Wash Mutual INVS A	*	2,369,752
American Funds American Balanced A	*	4,097,224
American Funds Growth Fund of America A	*	3,121,588
American Funds EuroPacific Growth A	*	2,563,550
T. Rowe Price Retirement 2020 Adv Fund	*	3,159,241
T. Rowe Price Retirement 2030 Adv Fund	*	3,478,970
Janus Enterprise Fund-S Shares	*	2,195,809
Commerce Bond Fund	*	2,552,615
T. Rowe Price Retirement 2040 Adv Fund	*	1,932,778

* Investment represents less than 5% of the Plan's net assets at the date indicated.

The Charles Machine Works, Inc. 401(k) Plan

Notes to financial statements - continued

December 31, 2013 and 2012

During the year ended December 31, 2013, the Plan's mutual funds (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by \$6,230,873.

D - INFORMATION CERTIFIED BY THE PLAN'S ASSET CUSTODIAN

The plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, McCready and Keene, as agent for Wilmington Trust Company, the asset custodian of the Plan, has certified that the following data included in the accompanying financial statements and supplemental schedule is complete and accurate:

- Investments and notes receivable from participants, as shown in the statements of net assets available for plan benefits as of December 31, 2013 and 2012
- Net investment income and interest income on notes receivable from participants, as shown in the statement of changes in net assets available for plan benefits for the year ended December 31, 2013
- Schedule H, Line 4i - schedule of assets (held at end of year) as of December 31, 2013

The Plan's independent certified public accountants did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

E - FAIR VALUE MEASUREMENTS

The Plan follows the provision of the Statement of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurements*. ASC 820 defines fair value, establishes a framework for measuring fair value and expands disclosure requirements about items measured at fair value.

ASC 820 establishes a fair value hierarchy that distinguishes between assumptions based on market data (observable inputs) and the Plan's assumptions (unobservable inputs). The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level one measurements) and the lowest priority to unobservable inputs (level three measurements). The three broad levels of fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability; and
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

The Charles Machine Works, Inc. 401(k) Plan

Notes to financial statements - continued

December 31, 2013 and 2012

If the assets or liabilities have a specified (contractual) term, the level two input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following methods and assumptions were used in estimating fair value:

Money market funds: Investments in securities backed by the full faith and credit of the U.S. government managed to maintain a constant \$1.00 share price where cost equals fair value.

Mutual funds: Valued at the net asset value ("NAV") of shares held by the Plan at year end. The NAV is based on quoted market prices.

Collective trust: Priced at NAV per unit based on contract value as computed by the trustee. Stable fund units are reported at contract value; year-end fair value is provided in the audited annual financial statements of the collective trust at December 31, 2013 and 2012, respectively.

The preceding methods may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by the three levels as established by ASC 820, within the fair value hierarchy, the Plan's assets at fair value as of December 31:

	2013			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Equity funds	\$ 37,917,593	\$ -	\$ -	\$ 37,917,593
Growth funds	6,883,283	-	-	6,883,283
Balanced funds	2,241,578	-	-	2,241,578
Fixed income funds	1,286,717	-	-	1,286,717
Total mutual funds	<u>48,329,171</u>	<u>-</u>	<u>-</u>	<u>48,329,171</u>
Collective funds	-	602,948	-	602,948
Money market fund	5,386	-	-	5,386
Total assets at fair value	<u>\$ 48,334,557</u>	<u>\$ 602,948</u>	<u>\$ -</u>	<u>\$ 48,937,505</u>

The Charles Machine Works, Inc. 401(k) Plan

Notes to financial statements - continued

December 31, 2013 and 2012

	2012			
	Level 1	Level 2	Level 3	Total
Mutual funds:				
Equity funds	\$ 15,544,567	\$ -	\$ -	\$ 15,544,567
Growth funds	8,314,969	-	-	8,314,969
Balanced funds	4,109,941	-	-	4,109,941
Fixed income funds	4,033,720	-	-	4,033,720
Total mutual funds	32,003,197	-	-	32,003,197
Money market fund	948,849	-	-	948,849
Total assets at fair value	\$ 32,952,046	\$ -	\$ -	\$ 32,952,046

F - TAX STATUS

The Plan adopted a prototype plan sponsored by Wilmington. The prototype plan received favorable opinion letters from the IRS dated September 13, 2001 and February 14, 2004. The Plan has been amended since receiving the February 14, 2004 opinion letter. However, the Plan administrator and the Plan's tax counsel believe that the Plan is currently designed in compliance with the applicable requirements of the IRC and therefore, no provision for income taxes has been included in the Plan's financial statements.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2013, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The plan administrator believes it is no longer subject to income tax examinations for years prior to 2010.

G - PLAN TERMINATION

Although it has not expressed any intent to do so, the Company may amend or terminate the Plan at any time subject to the provisions of ERISA. If the Plan is terminated, the Plan assets will be distributed to the participants in accordance with the Plan agreement.

H - RELATED PARTY TRANSACTIONS

Certain Plan investments are shares of pooled equity funds managed by Wilmington, the Plan's trustee. These transactions qualify as party-in-interest transactions, which are exempt from prohibited transaction rules.

The Charles Machine Works, Inc. 401(k) Plan

Notes to financial statements - continued

December 31, 2013 and 2012

I - RECONCILIATION TO FORM 5500

The following is a reconciliation of contributions per the financial statements for the year ended December 31, 2013 to Form 5500:

Contributions per the financial statements	\$ 3,480,577
Plus: Rollovers	247,283
Contributions per Form 5500	<u>\$ 3,727,860</u>

J - SUBSEQUENT EVENTS

Employees of Radius HDD Direct, LLC and Earth Tool Company, LLC, subsidiaries of the Company, became eligible to participate in the Plan as of January 1, 2014.

The Plan has evaluated subsequent events through October 15, 2014, the date the financial statements were available to be issued. No additional subsequent events were identified requiring additional recognition or disclosure in the accompanying financial statements.

SUPPLEMENTAL SCHEDULE

The Charles Machine Works, Inc. 401(k) Plan

Form 5500 - Schedule H, Line 4i - Schedule of assets (held at end of year)

EIN #: 73-0660844; Plan #: 002

December 31, 2013

Investment	Description of Investment	Current Value
American Funds American Balanced A	Balanced Fund	\$ 2,241,578
American Century M/C Val Inv	Equity Fund	717,086
Columbia Small Cap Index	Balanced Fund	916,358
* Commerce Bond Fund	Fixed Income Fund	1,017,851
Euro Pacific Growth	Growth Fund	1,333,049
Fidelity Strategic Inc	Equity Fund	329,090
Goldman Sachs S/C Value Inst	Equity Fund	821,289
Invesco International Growth Fund	Growth Fund	415,697
JPMorgan Large Cap Growth Fund	Growth Fund	1,923,783
JPMorgan Smart Retire 2015	Equity Fund	2,420,304
JPMorgan Smart Retire 2020	Equity Fund	4,831,935
JPMorgan Smart Retire 2025	Equity Fund	5,773,070
JPMorgan Smart Retire 2030	Equity Fund	5,102,842
JPMorgan Smart Retire 2035	Equity Fund	4,810,301
JPMorgan Smart Retire 2040	Equity Fund	3,167,458
JPMorgan Smart Retire 2045	Equity Fund	2,133,753
JPMorgan Smart Retire 2050	Equity Fund	1,376,197
JPMorgan Smart Retire Income	Equity Fund	517,546
JPMorgan Smart Retire 2055	Equity Fund	535,068
MFS New Discovery Fund	Growth Fund	1,070,465
Oppenheimer Developing Markets	Growth Fund	898,280
Prudential Jennison Mid-Cap Growth	Growth Fund	1,242,007
Templeton Foreign	Equity Fund	180,364
Vanguard 500 Index Fund Signal	Equity Fund	1,499,491
Vanguard Mid Cap Index Signal	Equity Fund	911,816
Vanguard Reit Index Fund SIG	Equity Fund	328,135
Vanguard Total Bond Market Index Signal	Fixed Income Fund	268,866
Washington Mutual Investors	Equity Fund	1,545,492
AUL GTD Ben Unalloc GRP Ret Annuity Stable Value Fund	Collective Fund	602,948
Interest Bearing Cash	Cash	5,386
* Notes receivable from participants	Notes receivable from participants, at 4.25% and various maturities	1,797,188
		<u>\$ 50,734,693</u>

* Party-in-interest

The Charles Machine Works, Inc. 401(k) Plan

Form 5500 - Schedule H, Line 4i - Schedule of assets (held at end of year)

EIN #: 73-0660844; Plan #: 002

December 31, 2013

Investment	Description of Investment	Current Value
American Funds American Balanced A	Balanced Fund	\$ 2,241,578
American Century M/C Val Inv	Equity Fund	717,086
Columbia Small Cap Index	Balanced Fund	916,358
* Commerce Bond Fund	Fixed Income Fund	1,017,851
Euro Pacific Growth	Growth Fund	1,333,049
Fidelity Strategic Inc	Equity Fund	329,090
Goldman Sachs S/C Value Inst	Equity Fund	821,289
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* Party-in-interest